

Message Text

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TO AMEMBASSY QUITO

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TAGS: APUB: EC

SUBJ: PRESS RELEASE ON EXIMBANK CREDIT TO ECUADOR

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE
DIRECT CREDIT OF DOLS 5,070,000 TO COMISION DE VALORES-CORPORACION
FINANCIERA NACIONAL (CV-CFN). RELEASE IS SCHEDULED FOR ANNOUNCE-
MENT HERE IN WASHINGTON, D.C. FOR A.M. PAPERS, TUESDAY,
NOVEMBER 26, 1974.

QUOTE: EXIMBANK CREDIT OF DOLS 5,070,000 SUPPORTS DOLS 16.9 MILLION
SALE OF U.S. EQUIPMENT FOR CEMENT PLANT IN ECUADOR

TO HELP FINANCE A DOLS 16.9 MILLION SALE OF U.S. EQUIPMENT,
MATERIALS AND SERVICES REQUIRED FOR EXPANSION OF A CEMENT PLANT
IN ECUADOR, THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF
THE UNITED STATES HAS AUTHORIZED A DIRECT CREDIT OF DOLS 5,070,000
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TO FINANCE 30 PERCENT OF THE TOTAL U.S. COSTS, ACCORDING TO EXIM-

BANK'S CHAIRMAN WILLIAM J. CASEY. A CREDIT OF DOLS 8,450,000 FROM A CONSORTIUM OF BANKS LED BY CHASE MANHATTAN BANK, NEW YORK, WILL FINANCE 50 PERCENT OF THE TOTAL U.S. COSTS, OF WHICH 20 PERCENT OF THE TOTAL U.S. COSTS OR DOLS 3,380,000 WILL BE COVERED BY EXIMBANK'S FINANCIAL GUARANTEE. THE OBLIGOR, COMISION DE VALORES-CORPORACION FINANCIERA NACIONAL (CV-CFN), OF QUITO, WILL MAKE CASH PAYMENT OF THE BALANCE OF THE TOTAL U.S. COSTS OF 20 PERCENT OR DOLS 3,380,000.

CV-CFN, AN ECUADORIAN GOVERNMENT CORPORATION WHOSE PRINCIPAL PURPOSES ARE THOSE OF A PUBLIC INDUSTRIAL DEVELOPMENT AND FINANCING INSTITUTION, WILL MAKE THE FUNDS AVAILABLE TO LA CEMENTO NACIONAL WHICH IS PLANNING AN EXPANSION OF ITS EXISTING CEMENT MANUFACTURING FACILITIES NEAR GUYAQUIL WITH THE ADDITION OF A NEW 1500 METRIC TONS PER DAY DRY-PROCESS CEMENT PLANT.

ALLIS CHALMERS, MILWAUKEE, WISCONSIN, WILL BE THE PRIME CONTRACTOR TO ENGINEER, SUPPLY EQUIPMENT, AND ERECT THE FACILITIES WHICH ARE SCHEDULED FOR COMPLETION BY LATE 1976.

THE LOANS ARE TO BE REPAYED IN 14 SEMIANNUAL INSTALLMENTS BEGINNING MAY 10, 1977. EXIMBANK'S DIRECT CREDIT OF DOLS 5,070,000 WILL BE REPAYED OUT OF THE LAST 5 INSTALLMENTS AT AN INTEREST RATE OF 8 PERCENT PER ANNUM, WHICH WHEN BLENDED WITH THE PORTION OF THE CREDIT FROM PRIVATE SOURCES RESULTS IN AN ESTIMATED INTEREST COST TO THE BORROWER, BASED ON CURRENT RATES, OF ABOUT 10.26 PERCENT TO 10.51 PERCENT PER ANNUM. REPAYMENT OF EXIMBANK'S CREDIT AND THE GUARANTEED PORTION OF THE COMMERCIAL CREDIT IS TO BE GUARANTEED BY THE MINISTRY OF FINANCE OF THE REPUBLIC OF ECUADOR. UNQUOTE. INGERSOLL

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